



NILES DISTRICT LIBRARY

NILES, MICHIGAN

FINANCIAL STATEMENTS

Year ended September 30, 2004

11-8006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Niles District Library	County Berrien
Audit Date 9/30/04	Opinion Date 10/20/04	Date Accountant Report Submitted to State: 3/3/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Scarpone & Co., P.C., CPAs			
Street Address 20 N. Second St., P.O. Box 1146		City Niles	State MI
Accountant Signature <i>James J. Scarpone, CPA</i>		ZIP 49120	Date MAR 03 2005

NILES DISTRICT LIBRARY

NILES, MICHIGAN

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NILES DISTRICT LIBRARY

NILES, MICHIGAN

BOARD OF TRUSTEES

Rolla Baumgartner	-	President
Sally Ginter	-	Vice-President
Gloria Cooper	-	Secretary
Shari Weber	-	Treasurer
Nancy McCreedy	-	Trustee
Mary Bryant	-	Trustee
William Landgraf	-	Trustee
Todd Wakevainen	-	Trustee



SCARPONE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

October 20, 2004

Members of the Library Board of Trustees
Niles District Library
Niles, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of Niles District Library as of and for the year ended September 30, 2004, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of Niles District Library. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Niles District Library as of September 30, 2004, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

The management's discussion and analysis and the required supplemental information identified in the table of contents are not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying other supplemental information, as listed in the foregoing table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Niles District Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Scarpone & Co., P.C.

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NILES DISTRICT LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2004

The Library is reporting financial statements this year that meet the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34). This is the first year that these requirements have been applicable. The two primary changes involved in meeting these requirements is the addition of a Management's Discussion and Analysis (MD&A) and the reporting of all capital assets and depreciation of same. A capital asset appraisal was completed by Mid-America Appraisals in March, 2004, the results of which are reflected in this report.

Overall Financial Position

The financial statements indicate that the Library has cash assets of \$1,304,737 at the close of the fiscal year, compared to \$1,151,835 at the close of the previous fiscal year. Revenues for the fiscal year exceeded expenditures by \$82,178. The Library's reserve cash assets are more than adequate to assure the financial stability of the Library.

Influencing Factors

Interest rates on deposited accounts continue to be quite low. The income from the Legacy Trust Fund has improved due to a change in investment strategies. Utility bills from the City of Niles were paid at 80% compared to 60% in fiscal year ending September 30, 2003. The Library will pay 100% in fiscal year ending September 30, 2005.

Revenues

The Library's primary revenue source is from property tax.

<u>Revenue Source</u>	<u>Percent of Revenue</u>
Local Taxes	52.7
Penal Fines	21.1
State Aid	4.0
Fines and Fees	2.2

NILES DISTRICT LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS-CONCLUDED

SEPTEMBER 30, 2004

Some revenues received in the fiscal year were unusual and should not be anticipated in coming years:

Transfer from City of Niles pension plan (net of Library payment to MERS)	\$	168,552
Michigan (Reed-Gates) Grant		5,247
LSTA Grant		18,028

Expenditures

Salaries and benefits are the largest expense items for the Library. The increase in expenditures in the salaries area was influenced by the hiring of a new adult services department head in August, 2003, the hiring of a professional librarian for a position previously filled by a para-professional in February, 2004, and average raises of 2.5%.

<u>Expenditure Category</u>	<u>Percent of Expenditures</u>
Salaries and benefits	45.6
Library materials	11.5
Utilities	3.7

Exceptional expenditures in the fiscal year include:

Planning consultant	\$	11,660
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Debt

The Library continues to make semi-annual payments on a 1998 Building Authority Bond, which is scheduled to be repaid by the year 2018. The Library has no other significant indebtedness.

NILES DISTRICT LIBRARY
GOVERNMENTAL FUNDS BALANCE SHEET
AND
STATEMENT OF NET ASSETS

September 30, 2004

	<u>Operating Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments (Note I)</u>	<u>Statement of Net Assets</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 928,765	\$ 375,972	\$ 1,304,737	\$ -	\$ 1,304,737
Taxes receivable	2,396	-	2,396	-	2,396
Due from other funds	32	53,765	53,797	-	53,797
Capital assets, net of accumulated depreciation	-	-	-	1,880,238	1,880,238
TOTAL ASSETS	\$ 931,193	\$ 429,737	\$ 1,360,930	\$ 1,880,238	\$ 3,241,168
<u>LIABILITIES</u>					
Due to other funds	\$ 53,765	\$ 32	\$ 53,797	\$ -	\$ 53,797
Due to other governments	1,100	-	1,100	-	1,100
Accrued payroll, taxes and withholdings	20,426	-	20,426	-	20,426
Bonds payable	-	-	-	530,000	530,000
	<u>75,291</u>	<u>32</u>	<u>75,323</u>	<u>530,000</u>	<u>605,323</u>
FUND BALANCES/NET ASSETS					
Fund balances, reserved, reported in					
Reserve fund	-	205,607	205,607	(205,607)	-
Legacy fund	-	23,391	23,391	(23,391)	-
Capital projects	-	200,707	200,707	(200,707)	-
Fund balances, unreserved	855,902	-	855,902	(855,902)	-
	<u>855,902</u>	<u>429,705</u>	<u>1,285,607</u>	<u>(1,285,607)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 931,193	\$ 429,737	\$ 1,360,930		
Net Assets					
Invested in capital assets				1,350,238	1,350,238
Unrestricted				-	1,285,607
TOTAL NET ASSETS				\$ 1,350,238	\$ 2,635,845

See accompanying notes to basic financial statements.

NILES DISTRICT LIBRARY

**GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES**

For the year ended September 30, 2004

	<u>Operating Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
REVENUES:					
Local taxes	\$ 638,920	\$ -	\$ 638,920	\$ -	\$ 638,920
Penal fines	255,725	-	255,725	-	255,725
State-shared revenues	48,207	-	48,207	-	48,207
Interest and dividends	4,701	3,607	8,308	-	8,308
Charges for services	15,294	-	15,294	-	15,294
Contributions and gifts	6,706	-	6,706	-	6,706
Copier revenues	11,916	-	11,916	-	11,916
Frazee Trust	-	30,135	30,135	-	30,135
Grant income	23,275	-	23,275	-	23,275
Pension transfer (City of Niles)	168,552	-	168,552	-	168,552
Community room	1,244	-	1,244	-	1,244
Miscellaneous	4,295	-	4,295	-	4,295
Total Revenues	1,178,835	33,742	1,212,577	-	1,212,577
EXPENDITURES:					
Salaries	515,521	-	515,521	-	515,521
Payroll taxes and employee benefits	159,126	-	159,126	-	159,126
Professional fees	38,641	-	38,641	-	38,641
Building maintenance	47,743	-	47,743	-	47,743
Repairs and maintenance	6,231	-	6,231	-	6,231
Library materials	130,015	-	130,015	-	130,015
Supplies	15,432	-	15,432	-	15,432
Utilities	41,594	-	41,594	-	41,594
Communications	10,002	-	10,002	-	10,002
Postage	4,268	-	4,268	-	4,268
Programming	13,697	-	13,697	-	13,697
Refunds	5,868	-	5,868	-	5,868
Staff development	13,335	-	13,335	-	13,335
Copy machine rental and supplies	12,911	-	12,911	-	12,911
Insurance	15,993	-	15,993	-	15,993
Capital outlay	27,898	-	27,898	(13,116)	14,782
Grant expense	10,144	-	10,144	(7,932)	2,212
Bond processing and handling fees	300	-	300	-	300
Debt service	51,457	-	51,457	(25,000)	26,457
Miscellaneous	10,221	2	10,223	-	10,223
Depreciation	-	-	-	69,378	69,378
Total Expenditures	1,130,397	2	1,130,399	23,330	1,153,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,438	33,740	82,178	(23,330)	58,848
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	10,251	(10,251)	-		
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	58,689	23,489	82,178		
Change in Net Assets					58,848
FUND BALANCES/NET ASSETS					
Beginning of Year	797,213	406,216	1,203,429	1,265,365	2,576,997
End of Year	\$ 855,902	\$ 429,705	\$ 1,285,607	\$ 1,217,217	\$ 2,635,845

See accompanying notes to basic financial statements.

NILES DISTRICT LIBRARY

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Niles District Library ("Library") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant policies adopted by the Library are as follows:

REPORTING ENTITY:

The Library's reporting entity includes all activities related to the operation of the Niles District Library. The Library receives funding from local and state government sources and must comply with the requirements of these funding source entities. However, the Library is not included in any other governmental "reporting entity" as defined by the GASB pronouncement. In addition, there are no component units as defined by GASB which are included in the Library's reporting entity.

BASIS OF PRESENTATION:

Generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: Government-Wide Financial Statements (i.e., the Statement of Net Assets and the Statement of Activities) and Fund Financial Statements. The government-wide and fund financial statements are combined, with a reconciliation shown between them.

The Governmental Funds Balance Sheet and Statement of Net Assets and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and Statement of Activities combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations.

The Operating Fund is the only major individual governmental fund. For fund financial statements, the accounts of the Library are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund's assets, liabilities, fund balances, revenues and expenditures. The following is a description of the funds included in the accompanying basic financial statements:

Operating Fund - The Operating Fund accounts for revenues and expenditures of the Library not required to be accounted for in other funds.

Reserve Fund - The Reserve Fund accounts for the accumulation of resources related to ensuring uninterrupted Library service.

Legacy Fund - The Legacy Fund accounts for the revenues and expenditures related to particular functions or activities of the Library, including income from the Frazee Trust Fund Endowment.

NILES DISTRICT LIBRARY

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

For the year ended September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED:

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund accounts for the financial resources to be used for the acquisition of major capital expenditures.

BASIS OF ACCOUNTING:

The government-wide statements (the Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Fund financial statements (the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances) are prepared using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

BUDGETS AND BUDGETARY ACCOUNTING:

The Library Board of Trustees annually adopts a budget for each of its funds. The budget is adopted on the basis of accounting described above. Budgeted amounts are as originally adopted or amended by the Board of Trustees.

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are recorded at cost and include cash investments with an original maturity of three months or less.

CAPITAL ASSETS:

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

NILES DISTRICT LIBRARY

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

For the year ended September 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONCLUDED:

CAPITAL ASSETS-CONCLUDED:

Leasehold improvements	50 years
Furniture and equipment	10-15 years
Computer equipment	5 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

LOCAL TAXES:

Property taxes are levied for Library operating purposes against properties within the Library's service area at a rate of 1.4842 mills.

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

FUND BALANCES:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans and are subject to change.

NOTE B - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consisted of the following at September 30, 2004:

Petty cash	\$ 100
Deposits in financial institutions	<u>1,304,637</u>
	\$ <u>1,304,737</u>

NILES DISTRICT LIBRARY

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

For the year ended September 30, 2004

NOTE B - CASH AND CASH EQUIVALENTS - CONCLUDED:

The above deposits in financial institutions of \$1,304,637 were reflected in the accounts of the Library's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$1,380,819. Of that amount, approximately \$200,000 was covered by federal depository insurance coverage, approximately \$394,749 was held in a local units of government trust account, and \$786,070 was uninsured and uncollateralized.

NOTE C - CAPITAL ASSETS:

Capital asset activity for the Library's Governmental activities for the year ended September 30, 2004 was as follows:

	Balance September 30, <u>2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2004</u>
Capital assets being depreciated:				
Leasehold improvements	\$ 1,979,981	\$ -	\$ -	\$ 1,979,981
Furniture and equipment	165,087	-	-	165,087
Computer equipment	92,219	21,048	-	113,267
	<u>2,237,287</u>	<u>21,048</u>	<u>-</u>	<u>2,258,335</u>
Accumulated depreciation:				
Leasehold improvements	211,917	39,600	-	251,517
Furniture and equipment	39,758	11,525	-	51,283
Computer equipment	57,044	18,253	-	75,297
	<u>308,719</u>	<u>69,378</u>	<u>-</u>	<u>378,097</u>
Net capital assets	\$ <u>1,928,568</u>	\$ <u>(48,330)</u>	\$ <u>-</u>	\$ <u>1,880,238</u>

NOTE D - LONG-TERM DEBT:

General long-term debt consisted of the following at September 30, 2004:

4.75% - 4.80% 1998 Building Authority Bonds, with annual payments of \$25,000 to \$50,000 and semi-annual interest payments, final maturity April, 2018.

\$ 530,000

NILES DISTRICT LIBRARY

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

For the year ended September 30, 2004

NOTE D - LONG-TERM DEBT-CONCLUDED:

The principal reductions of general long-term debt for the years ending September 30, are as follows:

<u>Year Ended</u>	<u>Amount Due</u>
2005	\$ 25,000
2006	30,000
2007	30,000
2008	30,000
2009	35,000
Thereafter	380,000
Total	\$ 530,000

The following is a summary of the changes in general long-term debt for the year ended September 30, 2004:

	<u>Balance September 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2004</u>
Bonds payable	\$ 555,000	\$ -	\$ 25,000	\$ 530,000

NOTE E - FRAZEE TRUST FUND ENDOWMENT:

The Library is the sole beneficiary of the Carl H. and Faye W. Frazee Niles Community Library Foundation Trust established in 1990. Wells Fargo Bank Indiana, N.A. is the trustee of the Foundation, and manages the income and distributions of the endowment. The Foundation requires all income from the endowment to be distributed to the Legacy Fund of the Library. Distributions to the Library amounted to \$30,135 for the year ended September 30, 2004.

NOTE F - INTERFUND RECEIVABLES AND PAYABLES:

Interfund receivable and payable balances at September 30, 2004 consisted of the following:

	<u>Receivable Balance</u>	<u>Payable Balance</u>
General Fund	\$ 32	\$ 53,765
Reserve Fund	53,765	-
Debt Service Fund	-	32
	\$ 53,797	\$ 53,797

NILES DISTRICT LIBRARY

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

For the year ended September 30, 2004

NOTE G - PENSION PLAN:

The Niles District Library participated in the City of Niles defined benefit pension plan until October 1, 2002. Niles District Library had no fiduciary responsibility for the administration of the plan.

Effective October 1, 2002, current employees of the Library were no longer considered to be employees of the City of Niles. Consequently, the Library established a pension plan for its employees administered through the Municipal Employees' Retirement System of Michigan (MERS) in a plan with a similar benefit structure to the City of Niles plan. Under this arrangement, the Library assumed the benefit obligation (both past and future) for the service rendered by these employees and the City transferred any associated plan assets attributable to Library employees into the MERS plan. Any retired and "vested-deferred" former employees remained with the City of Niles plan.

For the year ended September 30, 2004, the employer contributions to the plan were approximately 6.67% of reported wages and totaled \$29,655.

NOTE H - RISK MANAGEMENT:

The Library is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters. The Library maintains commercial insurance to insure potential significant losses. There have been no significant reductions in insurance coverage by the Library for the year ended September 30, 2004.

NOTE I - ADJUSTMENTS:

Amounts reported in the Statement of Net Assets are different from the Governmental Funds Balance Sheet due to the following adjustments:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Net capital assets	\$ 1,880,238
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Long-term liabilities are not due and payable in the current period and are therefore not reported in the governmental funds:

Bonds Payable	(530,000)
	<u>\$ 1,350,238</u>

NILES DISTRICT LIBRARY

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONCLUDED

For the year ended September 30, 2004

NOTE I - ADJUSTMENTS-CONCLUDED:

Amounts reported for governmental activities on the Statement of Activities are different from the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances as follows:

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year:

Depreciation	\$	(69,378)	
Capital outlay-over threshold		<u>21,048</u>	
			\$ (48,330)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. This is the amount of repayments reported as expenditures in the governmental funds.

	<u>25,000</u>
\$	<u>(23,330)</u>

REQUIRED SUPPLEMENTARY INFORMATION

NILES DISTRICT LIBRARY
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

OPERATING FUND

For the year ended September 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local taxes	\$ 642,000	\$ 678,800	\$ 638,920	\$ (39,880)
Penal fines	252,000	252,000	255,725	3,725
State-shared revenues	53,068	48,068	48,207	139
Interest and dividends	5,100	5,100	4,701	(399)
Charges for services	18,700	13,700	15,294	1,594
Gift & memorial	6,500	6,500	6,706	206
Copier revenues	12,500	12,500	11,916	(584)
Grant income	8,000	16,000	23,275	7,275
Pension transfer (City of Niles)	-	-	168,552	168,552
Community room	1,050	1,050	1,244	194
Miscellaneous	3,000	3,000	4,295	1,295
	<u>1,001,918</u>	<u>1,036,718</u>	<u>1,178,835</u>	<u>142,117</u>
EXPENDITURES:				
Salaries	500,797	500,797	515,521	(14,724)
Payroll taxes and employee benefits	162,334	162,334	159,126	3,208
Professional fees	41,300	46,300	38,641	7,659
Building maintenance	37,900	41,400	47,743	(6,343)
Repairs and maintenance	18,600	18,600	6,231	12,369
Library materials	106,100	128,700	130,015	(1,315)
Supplies	15,400	15,400	15,432	(32)
Utilities	26,500	34,500	41,594	(7,094)
Communications	12,000	12,000	10,002	1,998
Postage	4,500	4,500	4,268	232
Programming	10,000	10,000	13,697	(3,697)
Refunds	8,000	8,000	5,868	2,132
Staff development	9,500	10,500	13,335	(2,835)
Copy machine rental and supplies	11,000	11,000	12,911	(1,911)
Insurance	17,000	17,000	15,993	1,007
Capital outlay	18,500	26,500	27,898	(1,398)
Grant expense	10,000	10,000	10,144	(144)
Debt service	52,052	52,000	51,757	243
Miscellaneous	8,000	12,000	10,221	1,779
	<u>1,069,483</u>	<u>1,121,531</u>	<u>1,130,397</u>	<u>(8,866)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(67,565)	(84,813)	48,438	133,251
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	74,613	84,813	10,251	(74,562)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	7,048	-	58,689	58,689
FUND BALANCE, BEGINNING OF YEAR	797,213	797,213	797,213	-
FUND BALANCE, END OF YEAR	\$ 804,261	\$ 797,213	\$ 855,902	\$ 58,689

See accompanying notes to basic financial statements.

OTHER SUPPLEMENTAL INFORMATION

NILES DISTRICT LIBRARY
COMBINING BALANCE SHEETS

OTHER FUNDS

September 30, 2004

	<u>Reserve Fund</u>	<u>Legacy Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 151,842	\$ 23,391	\$ 32	\$ 200,707	\$ 375,972
Due from other funds	53,765	-	-	-	53,765
TOTAL ASSETS	\$ 205,607	\$ 23,391	\$ 32	\$ 200,707	\$ 429,737
<u>LIABILITIES</u>					
LIABILITIES:					
Due to other funds	\$ -	\$ -	\$ 32	\$ -	\$ 32
FUND BALANCES:					
Fund Balances:					
Reserved	205,607	23,391	-	200,707	429,705
TOTAL LIABILITIES AND FUND BALANCES	\$ 205,607	\$ 23,391	\$ 32	\$ 200,707	\$ 429,737

See accompanying notes to basic financial statements.

NILES DISTRICT LIBRARY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

OTHER FUNDS

For the year ended September 30, 2004

	<u>Reserve Fund</u>	<u>Legacy Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Total</u>
REVENUES:					
Interest and dividends	\$ 1,363	\$ 69	\$ 32	\$ 2,143	\$ 3,607
Frazee Trust	-	30,135	-	-	30,135
	<u>1,363</u>	<u>30,204</u>	<u>32</u>	<u>2,143</u>	<u>33,742</u>
EXPENDITURES:					
Miscellaneous	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,361</u>	<u>30,204</u>	<u>32</u>	<u>2,143</u>	<u>33,740</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in (out)	<u>56,316</u>	<u>(32,422)</u>	<u>(32)</u>	<u>(34,113)</u>	<u>(10,251)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>57,677</u>	<u>(2,218)</u>	<u>-</u>	<u>(31,970)</u>	<u>23,489</u>
FUND BALANCES, BEGINNING OF YEAR	<u>147,930</u>	<u>25,609</u>	<u>-</u>	<u>232,677</u>	<u>406,216</u>
FUND BALANCES, END OF YEAR	<u>\$ 205,607</u>	<u>\$ 23,391</u>	<u>\$ -</u>	<u>\$ 200,707</u>	<u>\$ 429,705</u>

See accompanying notes to basic financial statements.

NILES DISTRICT LIBRARY

1998 BUILDING AUTHORITY BONDS

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

For the year ended September 30, 2004

<u>Year Ending September 30,</u>	<u>Principal April 1</u>	<u>Interest Requirements</u>		<u>Total Interest</u>	<u>Total Requirements</u>
		<u>April 1</u>	<u>October 1</u>		
2005	\$ 25,000	\$ 12,635	\$ 12,635	\$ 25,270	\$ 50,270
2006	30,000	12,041	12,041	24,082	54,082
2007	30,000	11,329	11,329	22,658	52,658
2008	30,000	10,616	10,616	21,232	51,232
2009	35,000	9,904	9,904	19,808	54,808
2010	35,000	9,073	9,072	18,145	53,145
2011	35,000	8,241	8,241	16,482	51,482
2012	40,000	7,410	7,410	14,820	54,820
2013	40,000	6,460	6,460	12,920	52,920
2014	40,000	5,510	5,510	11,020	51,020
2015	45,000	4,560	4,560	9,120	54,120
2016	45,000	3,480	3,480	6,960	51,960
2017	50,000	2,400	2,400	4,800	54,800
2018	50,000	1,200	1,200	2,400	52,400
	<u>\$ 530,000</u>	<u>\$ 104,859</u>	<u>\$ 104,858</u>	<u>\$ 209,717</u>	<u>\$ 739,717</u>

See accompanying notes to basic financial statements.